

## Message Text

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PAGE 01 MEXICO 10764 302051Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 L-03 CTME-00 CIAE-00 COME-00

INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03

OMB-01 AGR-01 /050 W

-----115477 302102Z /66

P 302040Z JUN 78

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC PRIORITY 1134

INFO USCONS MEXICO POUCH

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E.O. 11652: N/A

TAGS: ETRD, MX

SUBJECT: TEXTILES

1. LIZARDI, SUB-DIRECTOR FOR TEXTILES IN PATRIMONY SECRETARIAT (AND MEMBER OF GOM DEL TO RECENT BILATERAL TEXTILE NEGOTIATIONS), CALLED EMBOFF JUNE 29 TO INQUIRE ABOUT US CUSTOMS REQUIREMENTS FOR GOM TEXTILE VISAS FOLLOWING WHAT HE TERMED JUNE 30 EXPIRATION OF TWO MONTH EXTENSION OF US-MEXICO TEXTILE BILATERAL. EMBOFF INFORMED LIZARDI IT WAS HIS UNDERSTANDING THAT INASMUCH AS DIPLO-MATIC NOTES PROVIDING FOR TWO MONTH EXTENSION WERE NEVER EXCHANGED, TEXTILE BILATERAL ACTUALLY EXPIRED APRIL 30. RE TEXTILE VISA REQUIREMENTS, EMBOFF TOLD LIZARDI IT WAS HIS UNDERSTANDING THAT SINCE NO TEXTILE AGREEMENT NOW EXISTS BETWEEN US AND MEXICO, TEXTILE VISAS WILL NO LONGER BE REQUIRED BY US CUSTOMS AND THAT A NOTICE TO THIS EFFECT WOULD PROBABLY BE SENT BY US CUSTOMS HQ TO ALL US CUSTOMS PORTS OF ENTRY.

2. DURING CONVERSATION, LIZARDI CONFIRMED THAT SINCE MAY 1 GOM HAD BEEN ISSUING TEXTILE VISAS AS THOUGH BILATERAL AGREEMENT STILL IN FORCE. EMBOFF CALLED THIS ACTION CON-  
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PAGE 02 MEXICO 10764 302051Z

STRUCTIVE, AND EXPRESSED HOPE THAT GOM WOULD CONTINUE VISA SYSTEM OR OTHERWISE CONTROL TEXTILE EXPORTS TO US, NOTING THAT IN ABSENCE OF BILATERAL AGREEMENT USG WOULD BE MONITORING TEXTILE IMPORTS FROM MEXICO CAREFULLY. LIZARDI REPLIED EMPHATICALLY, "DEFINITELY, DEFINITELY, WE MUST KEEP CONTROLS," ADDING THAT "GOM DOES NOT WISH TO LEAVE IMPRESSION THAT IT WILL TAKE ADVANTAGE OF PRESENT SITUA-

TION."

3. LIZARDI THEN WENT ON TO INFORMALLY DISCUSS SOME TYPES OF CONTROLS GOM IS CONSIDERING. THESE INCLUDED CONTINUATION OF PRESENT TEXTILE VISA SYSTEM, OR (AS LIZARDI PUT IT) "SOMETHING EVEN TOUGHER." RECOGNIZING THAT BULK OF PROBLEM TEXTILE CATEGORIES ARE IN THE MAQUILADORA (IN-BOND ASSEMBLY) SECTOR EXPORTING TO THE US UNDER TSUSA 807, LIZARDI SAID GOM IS CONSIDERING REQUIRING TEXTILE MAQUILADORAS TO SHOW ORDERS FOR FINISHED GOODS BEFORE ALLOWING THEM TO OBTAIN NECESSARY PERMITS TO BRING CUT FABRICS INTO MEXICO UNDER BOND FOR SEWING INTO APPAREL AND RE-EXPORT TO US. HE SAID THIS REQUIREMENT WOULD NOT AFFECT ASSEMBLY WORK CURRENTLY IN PROCESS, BUT IMPLIED IT WOULD PROVIDE GOM WITH USEFUL AND POWERFUL TOOL IN DETERMINING LEVELS OF FUTURE MAQUILADORA TEXTILE EXPORTS TO US SINCE GOM REFUSAL TO ALLOW CUT FABRIC IMPORTS BY MAQUILADORAS WOULD EFFECTIVELY LIMIT THEIR EXPORTS. LIZARDI ALSO SAID HE MET MORNING OF JUNE 29 WITH GUILLERMO TEUTLI ( HEAD OF PATRIMONY SECRETARIAT'S MAQUILADORA SECTION, WHICH MUST APPROVE ALL APPLICATIONS FOR ESTABLISHMENT OF MAQUILADORAS) AND THAT BOTH HAD DECIDED TO SUSPEND FOR TIME BEING ACTION ON ALL APPLICATIONS FOR ESTABLISHMENT OF NEW APPAREL MAQUILADORAS AND FOR EXPANSION OF EXISTING APPAREL MAQUILADORAS. HE SAID THIS SUSPENSION WOULD AFFECT NUMBER OF APPLICATIONS CURRENTLY PENDING IN TEUTLI'S OFFICE.

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PAGE 03 MEXICO 10764 302051Z

4. IN RESPONSE TO EMBOFF'S QUESTIONS RE CONTROL OF TEXTILE EXPORTS TO US BY SO-CALLED NATIONAL (AS OPPOSED TO MAQUILADORA) FIRMS, LIZARDI SAID HE WAS NOT OVERLY CONCERNED WITH THESE AT PRESENT, SINCE "THEY JUST DON'T HAVE THE ORDERS." WHEN EMBOFF REMINDED LIZARDI THAT ONE OF SENSITIVE ITEMS DISCUSSED DURING RECENT NEGOTIATIONS WAS THAT PART OF CATEGORY 604 COVERED BY TSUSA 310.5049 (SPUN ACRYLIC YARN), HE REPLIED THERE WERE ONLY THREE MEXICAN EXPORTERS OF THIS PRODUCT, AND THAT HE HAD ALREADY ARRANGED TO HAVE A MEETING WITH THEM. RE CATEGORY 604, LIZARDI ADDED INFORMALLY THAT IF US COULD SETTLE FOR A DESIGNATED CONSULTATION LEVEL (DCL) OF AROUND 12 MILLION SYE INSTEAD OF FIVE MILLION SYE OFFERED BY USG, HE PERSONALLY FELT GOM COULD ACCEPT THIS INSTEAD OF ITS 24 MILLION SYE REQUEST. HE SAID MEXICAN EXPORTERS WOULD BARELY BEGIN TO MEET A DCL OF 12 MILLION SYE BY THE END OF NEXT YEAR, AND THAT THE LEVEL COULD THEN BE REVIEWED AT THE MID-PERIOD REVIEW OF ANY NEW AGREEMENT.

5. COMMENT: LIZARDI'S COMMENTS LEFT CLEAR IMPRESSION THAT GOM OR AT LEAST LIZARDI'S OFFICE IS CONCERNED OVER POSSIBILITY OF USG ACTION (E.G., UNDER ARTICLE 3 OF MFA) ON

TEXTILES, AND THAT GOM MEANS TO MAINTAIN SOME SORT OF  
CONTROL SYSTEM OVER TEXTILE EXPORTS TO US. LUCEY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, MEETINGS, VISAS, TRADE CONTROLS  
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**Draft Date:** 30 jun 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Markings:**  
Sheryl P. Walter  
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